


December 14, 2009

The Hon. Robert D. Drain
U.S. Bankruptcy Court
Southern District of New York
300 Quarropas Street
White Plains, NY 10601-4140

Re Debtor:

The Reader's Digest Association, Inc
Case # 0923529

Re Creditor:

Carole Brown (formally known as Carole Blank)
PO Box 1252
West Dover, VT 05356


FILED
U.S. BANKRUPTCY COURT
2010 DEC 18 A 11: 26
S.D.N.Y.

Dear Judge Drain,

Summary

As of August 25, 2009, The Reader's Digest Association, Inc. ("RDA") owes me a sum of \$2,158,500 payable over 15 years, commencing on April 21, 2021. These funds represented my retirement benefit under the terms of a contract signed with RDA on August 25th, 1988 and amended on August 10, 1992. At my discretion, the payments could commence on April 21, 2011. Using the earlier start date, the payments would total \$1,510,950, payable over 15 years.

Background

In 1988, I was offered the opportunity to fund a retirement plan for myself. To that end, I contributed \$47,287, over a 5 year period, 1988-1992. In return for my investment, RDA promised to pay me \$143,900 for a 15 year term, commencing on my 65th birthday, April 21st, 2021. Alternatively, I could receive \$100,730 for a 15 year term, commencing on my 55th

birthday, April 21st, 2011. As of this writing, I am 53 years old and have not had the option of receiving either benefit.

RDA used my contributions to purchase an insurance policy on my life, naming themselves as beneficiary. The policy had a death benefit of \$750,000. RDA has since surrendered the policy and used the proceeds to fund its operations.

I am a single parent struggling to raise a daughter and I depended on this retirement income to fund her college education as well as to provide income for myself once I retired. I have virtually no other retirement income and as an independent contractor have had little opportunity to save for my future – especially in these difficult economic times. Further, I depended on RDA's promise and felt secure that the funds I had invested almost 20 years ago would provide me with a comfortable income in my later years.

I ask the Court's help in seeing that an injustice is not perpetrated. I believe it unfair that the funds I willingly surrendered to RDA were used to purchase a policy on my lifethis policy was later surrendered for its cash value and the proceeds of which were used to pay other obligations, including retirement benefits to other parties. I suggest that this is no different than the "Ponzi" schemes that are unfortunately plaguing our society. RDA should not be permitted to abandon an employee that worked so hard for 17 years and relied on the integrity of the Company to honor its commitment. I trust that the judicial system will find a way to enforce the contract that was willingly entered into by both parties.

Sincerely,

A handwritten signature in cursive script that reads "Carole Brown". The signature is written in dark ink and is positioned above the printed name.

Carole Brown